



CANNON BUILDING  
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STATE OF DELAWARE  
**DEPARTMENT OF STATE**

DIVISION OF PROFESSIONAL REGULATION

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<b>PUBLIC MEETING MINUTES:</b>	<b>DELAWARE REAL ESTATE COMMISSION</b>
<b>MEETING DATE AND TIME:</b>	<b>Thursday, May 10, 2012 at 9:00 a.m.</b>
<b>PLACE:</b>	861 Silver Lake Boulevard, Dover, Delaware <b>Public Service Commission Hearing Room</b> First Floor of the Cannon Building
<b>MINUTES APPROVED:</b>	June 14, 2012

**MEMBERS PRESENT**

Andrew Staton, Professional Member, Chairman  
Christopher J. Whitfield, Professional Member, Vice Chairman  
Michael Harrington, Sr., Professional Member, Secretary  
James C. Brannon, Jr., Public Member  
Gilbert Emory, Public Member  
Ricky H. Allamong, Professional Member  
Patricia O'Brien, Public Member  
Vincent M. White, Professional Member

**DIVISION STAFF/ DEPUTY ATTORNEY GENERAL**

James Collins, Director, Division of Professional Regulation  
Kay Warren, Deputy Director, Division of Professional Regulation  
Eileen Heeney, Deputy Attorney General  
Gayle Melvin, Administrative Specialist III  
Jessica Williams, Administrative Specialist II

**MEMBER ABSENT**

Joseph F. McCann, Public Member

**ALSO PRESENT**

Doug Doyle  
Crystal Hudson, SCAOR

Kathy Sperl-Bell  
Danielle Benson  
Kevin Gilligan  
Moses Nanga  
Michelle Hunt  
Denise Tatman, DAR  
Stephen Marcus  
Todd Stonesifer  
Larry Tims  
Karen Alleva  
Elaine Woerner  
John Woerner  
Tim Riale  
Shirley Kalvinsky  
Judy Rhodes  
Andrew Taylor  
Bill Lucks  
Carol Burns  
Greg Ellis  
Dan Leshner  
Gene Millman  
Dick Brogan  
Richard Marcus  
Donna Klimowicz  
M. William Lower  
Bob Weir  
Rob Barton  
Joe Hill  
Joe Wells  
Tom Burns  
Kim Hurley, Court Reporter

### **CALL TO ORDER**

Mr. Staton called the meeting to order at 9:01 a.m.

### **REVIEW OF MINUTES**

A motion was made by Mr. Emory, seconded by Mr. Brannon to approve the minutes of the meeting held on April 12, 2012. The motion passed unanimously.

### **NEW BUSINESS**

#### **Education Committee Report**

Mr. Doyle reviewed the items that were reviewed and discussed at the Education Committee meeting held on May 3, 2012. He reported that the course "BPO's: The Agent's Role in the Valuation Process" offered by The CE Shop, Inc. was reviewed and it was decided to table this course for further discussion at the next meeting.

Recommendation to Approve and Deny Course Providers, Instructor Applications and Student Requests as Noted

A motion was made by Mr. Whitfield, seconded by Mr. Harrington to approve and deny course providers, instructor applications and student requests as noted in the minutes of the May 3, 2012 meeting of the Real Estate Education Committee. The motion passed unanimously.

Applications for Licensure

Ratification of Salesperson Applications

A motion was made by Mr. Allamong, seconded by Mr. White to ratify the following new salesperson applicants as presented:

Jennifer Cropper-Rines, Coldwell Banker, Ocean City, MD  
Tracy Ribbentrop, ReMax Associates, Hockessin, DE  
Kimberly Longo, Keller Williams, Wilmington, DE  
Steven Macom, Weichert Realtors, Wilmington, DE  
Beth Bozman, Maggio Sheilds, Rehoboth Beach, DE  
Maryann Rapposelli, Keller Williams, Wilmington, DE  
Lauren Schuyler, Long & Foster, Rehoboth Beach, DE  
Thomas McCandless, Long & Foster, Rehoboth Beach, DE  
Elaine Ford, Keller Williams, Dover, DE  
Harry Marrero, Weichert Realtors, Wilmington, DE  
Bernice Bingham, Prudential Fox & Roach, Newark, DE  
Margaret DiFazio, Jack Lingo Real Estate, Rehoboth Beach, DE  
Angelo Fugarino, Jr., Provest Realty, Wilmington, DE  
Lance Collins, Prudential Fox & Roach, Bear, DE  
Donald Eastburn, Prudential Fox & Roach, Greenville, DE  
Jonathan Bachman, Patterson Schwartz, Hockessin, DE  
Linda Mancusi, Coldwell Banker Preferred, Wilmington, DE  
Hina Patel, ReMax Associates, Newark, DE  
Judy Springer, Keller Williams Realty, Christiana, DE  
Margaret Stasi, Jack Lingo Inc., Realtor, Rehoboth Beach, DE  
Meagan Miller, First Class Properties, Lewes, DE  
Ryan McMahon, Zommick McMahon Commercial Real Estate, Inc., Malvern, PA  
Laura McIlvain, Ocean Atlantic Sotheby's, Rehoboth Beach, DE

The motion passed unanimously.

Review of Broker Applications

A motion was made by Mr. Whitfield, seconded by Ms. O'Brien to approve the following broker applications:

Stephen Tolmie  
William Heath  
Vincent Carfora

The motion passed unanimously.

#### Review of Applications for New Offices

The application of Exit Central Realty - Sussex for a new office was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Harrington to approve this application. The motion passed unanimously.

The application of Keller Williams Realty at the Beach for a new office was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Harrington to approve this application. The motion passed unanimously.

The application of ResortQuest for a new office was reviewed. A motion was made by Mr. Allamong, seconded by Mr. Harrington to approve this application. The motion passed unanimously.

#### Review of Applications for Reinstatement

The application of Harold Woodward, Jr. for reinstatement of a salesperson's license was reviewed. A motion was made by Mr. Whitfield, seconded by Mr. White to approve Mr. Woodward for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The application of Charles Litchford for reinstatement of a salesperson's license was reviewed. A motion was made by Mr. Whitfield, seconded by Mr. White to approve Mr. Litchford for reinstatement. The motion passed unanimously.

The application of George Derrington for reinstatement of a salesperson's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Whitfield to approve Mr. Derrington for reinstatement pending passing both portions of the exam. The motion passed unanimously.

The application of Sreelekha Mani for reinstatement of a salesperson's license was reviewed. A motion by Mr. Whitfield, seconded by Mr. White to approve Ms. Mani for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

#### Review of Application for Additional License

The application of Michelle Hunt for an additional license was reviewed. Mr. Taylor, attorney for Ms. Hunt, requested that this application be tabled until the next meeting. A motion was made by Mr. Whitfield, seconded by Mr. White to table Ms. Hunt's application. The motion passed unanimously.

#### Status of Complaints

Complaint No. 02-15-10 – Assigned to Hearing Officer  
Complaint No. 02-40-10 – Closed  
Complaint No. 02-42-10 – Assigned to Hearing Officer  
Complaint No. 02-01-11 – Closed  
Complaint No. 02-02-11 – Closed  
Complaint No. 02-05-12 – Assigned to Mr. Staton

#### Review of Email from Andrew Ratner Regarding Rule and Regulation 6.1 – Escrow Accounts

The email from Andrew Ratner regarding Rule and Regulation 6.1 on escrow accounts and suggested changes to the current language was reviewed. A motion was made by Mr. Allamong, seconded by Mr.

Whitfield to refer Mr. Ratner's email to the Subcommittee on Reciprocity and Education. The motion passed unanimously.

## **PUBLIC HEARINGS**

### **Public Hearing Regarding Proposed Revisions to the Rules and Regulations**

Ms. Heeney called the Public Hearing to order at 9:22 a.m. The Commission proposed revisions to Rule 13.0 pertaining to continuing education requirements. Specifically, pursuant to the revisions, 21 hours of continuing education will be required for each licensure renewal period. Currently, the Commission requires 15 hours. The revised rules state that the required hours must be taken in specified subject matters or modules. In addition, new licensees, other than licensees already licensed in another state, will be required to take 12 hours of continuing education relevant to the skills required for new practitioners. Those 12 hours will be applied to the required 21 hours and pro-rated accordingly. These new continuing education requirements will serve to enhance the skills and competence of licensees and in this way protect the interests of the public. Finally, the Commission proposes revisions to certain rules addressing administrative issues, such as the availability of the licensure application on-line. Notice of the Public Hearing was published in two Delaware newspapers. Notice of the Public Hearing was published in the Delaware Register of Regulations. Verbatim testimony was recorded by the court reporter.

Written comments were received from Trina Joyner, President of Sussex County Association of Realtors. Ms. Joyner commented that the proposed amendments requiring 21 hours of continuing education do not consider licensees with significant experience and education. She expressed concern about the monitoring of compliance with the requirements for new licensees. Ms. Joyner also addressed concerns with the Education Guidelines.

The following individuals provided verbal comment:

The first witness to address the Commission was Doug Doyle. Mr. Doyle has been licensed since 1995 and is the current chair of the Education Committee. He has served on the Education Committee for two years. Mr. Doyle testified that, two years ago, the Education Committee began to discuss increasing standards for education, including both pre-licensing and continuing education. There had been no changes to the education system for years and improvement was needed. The Education Committee's proposed changes were approved by the Commission and represented a huge improvement over the existing system. Mr. Doyle added that the real estate profession has changed dramatically over the years and the proposed changes will act to protect the public and ensure standards of competence in the delivery of services to the public. Mr. Doyle also explained that the course approval process will not change with the new modules.

The next witness to address the Commission was Kevin Gilligan, who has been a licensed broker in Delaware for 10 years. Mr. Gilligan testified that the emphasis should be placed on the quality and content of continuing education rather than the quantity of hours. Mr. Gilligan stated that he opposed increasing the required hours from 15 to 21.

Todd Stonesifer, the President of the Delaware Association of Realtors, addressed the Commission by offering his support to the proposed changes to the rules and regulations. Mr. Stonesifer has been licensed for 12 years. Mr. Stonesifer testified that the education requirements have changed very little but the industry has changed greatly and licensees need to stay on top of those changes. The problem now is that continuing education classes are repetitive and boring. The new modules will allow licensees to pick and choose their courses with the result that they will start to enjoy continuing

education. Mr. Stonesifer asked the Commission to implement the proposed changes to protect the public and improve the competence of licensees.

Tim Riale next addressed the Commission. Mr. Riale is a licensed broker. He testified that the proposed changes to the rules and regulations will benefit the public. The results of previous continuing education audits demonstrated a need to adjust the continuing education requirements.

Shirley Kalvinsky addressed the Commission. She has been licensed for 35 years and an instructor for more than 30 years. Ms. Kalvinsky offered her support for the increase in continuing education hours and the new modules. Feedback regarding continuing education classes showed a need for change. Ms. Kalvinsky testified that the modules offer variety and flexibility with no time parameters or canned outlines. The modules do not involve specialized training but offer general topics.

Bill Lucks was the next witness to address the Commission. Mr. Lucks has two licenses in Delaware. He testified that he supports the changes to the continuing education requirements. The changes address both content and quality. The increased hours and the modules will ensure that licensees understand the applicable rules and how to conduct themselves. Mr. Lucks commented that these changes are needed given the rapid changes in the real estate industry.

Carol Burns, President of the Kent County Association of Realtors, addressed the Commission. Ms. Burns testified that the Kent County Association of Realtors fully supports the proposed changes to the continuing education requirements. She commented that the changes will increase licensee knowledge and professionalism and improve standards in the delivery of services to the public.

Greg Ellis, the President of the Commercial Industrial Realty Council of Delaware, addressed the Commission. He testified that he offered his comments on behalf of CIRS and on his own behalf. Mr. Ellis stated that while he applauded efforts to improve continuing education, he did not think that the proposed modules would have the intended result. The basic concepts in the modules have been taught repeatedly. The existing concepts need to be improved to make sure licensees understand what they are being taught. Increased continuing education hours won't fix the problem. Mr. Ellis testified that the industry needs to be more professional, and the modules won't help get the basic concepts across to licensees.

Dan Leshner addressed the Commission, stating that, like Mr. Ellis, he is from the Commercial Industrial Realty Council of Delaware. The proposed changes represent a 40 per cent increase in continuing education hours. Real estate salespeople operate as small businessmen and the increase in hours will lead to increased costs. Increasing the hours won't necessarily result in a smarter industry. The modules will present less flexibility and less elective continuing education courses. Mr. Leshner testified that he reviewed Commission minutes and found no information showing a connection between the amount of continuing education hours and problems with Delaware licensees. The change would result in a 40 per cent increase in income for instructors.

The next witness to address the Commission was Gene Millman, who testified that he is in favor of the proposed changes. He served on the subcommittee which addressed the continuing education issue. He has been in the real estate business for 27 years and an instructor for 21 years for the Delaware Association of Realtors. Mr. Millman stated that he found that agents with many years in the business don't understand changes in the law. Mr. Millman supported the increase in hours and changes in education content. He stated that the modules will allow for the incorporation of contemporary issues in continuing education.

Dick Brogan, who has been a licensee since 1994 and a broker since 2001, addressed the Commission. Mr. Brogan offered his support for the proposed changes. He testified that the changes focus on quality and the actual number of hours is not important. The Commission needs to continue with increasing continuing education requirements.

Donna Klimowicz next addressed the Commission. She is an associate broker who has been licensed since 1980. When she was first licensed, there were no continuing education requirements. Ms. Klimowicz testified that she is on the Commission's Education Committee and the Education Committee of the Delaware Association of Realtors. Ms. Klimowicz testified that the real estate industry is changing, including advances in technology, and the public is knowledgeable. The consumer is the priority and increased continuing education is needed for licensees. Many agents are inept and need the additional education. The Education Committee worked hard on the changes. Ms. Klimowicz stated that the proposed changes will give flexibility in terms of courses and increased quality. The public will benefit from these revisions to the continuing education requirements.

William Lower addressed the Commission. Mr. Lower is with a commercial redevelopment firm in Wilmington. He asked the Commission to delay immediate action on the proposed revisions on the basis that there has been insufficient information communicated to licensees regarding the increase in hours. The changes will result in a diminished curriculum and increased cost. Given the current market, the changes will put a burden on licensees. Mr. Lower suggested that the Commission postpone its decision until there is a greater consensus.

Danielle Benson addressed the Commission. She is a broker and has been licensed for 17 years. She serves on the Education Committee and commented that the discussion regarding the modules involved a great deal of time, effort and differing opinions. The modules present a great format to start with. Working in management, she has been surprised by the actions of certain licensees. The public would be reluctant to work with these people. The revised education standards will increase professionalism with the result that the entire profession will be improved.

Rob Burton next addressed the Commission. He offered that there are two problems with the proposed revisions. Currently, there is no requirement at the end of a course that the course participant demonstrate knowledge. The courses stink and present information in a way that is not grasped by many people. Increasing the continuing education hours will be like throwing money at the problem with no understanding of what the problem is. Mr. Burton testified that the problem is that brokers are not doing their jobs. Brokers need to provide oversight, guidance and instruction. Requiring more continuing education classes, without requiring attendees to demonstrate their knowledge, is wrong. Attendees should be required to pass a test at the end of the course to show if they are being taught. Brokers vary in terms of how they educate their agents. In terms of requiring extra hours, Mr. Burton stated in his view that 15 hours are sufficient, if licensees are required to show their knowledge at the end of a course. Without this requirement, a licensee can just sit through a course and do nothing, and the certificate means nothing.

The next individual to address the Commission was Joe Hill, a Rehoboth Beach broker who has been licensed for 42 years. Mr. Hill offered his view that the problem with continuing education lies with instructors who are not doing their jobs. The Commission should overhaul the process and require that instructors be qualified first and then increase the hours. Mr. Hill pointed out that, in real estate schools, teachers must be certified.

Joe Wells addressed the Commission. Mr. Wells, a realtor and appraiser, testified that the focus should be on improving the quality of continuing education. An added burden for him is the fact that he needs 28 hours of continuing education to maintain his appraiser's license. Mr. Wells testified that that the

real estate and appraisal professions are inter-related and the Commission should be more liberal in the approval of appraisal courses for elective credits. As a person who is dual licensed, under the proposed continuing education requirements, he would need to obtain almost 50 hours of continuing education, which would create a burden for him.

Tom Burns next addressed the Commission. He testified that with changes in the real estate industry, there were concerns regarding the quality of continuing education offerings and a perceived need to improve teaching methods. The proposed modules are imperfect, but will expose the licensee to all aspects of real estate. The modules provide maximum flexibility and will ensure that courses are not redundant. The Education Committee also recommended revisions to the course evaluation forms, which will lead to higher quality instructors. Currently, the broker course is the same course every two years. With the proposed revisions, this will change. The modules will lead to quality instruction and exposure to current issues in the profession. Mr. Burns concluded that he strongly supported the recommended revisions to the rules.

Shirley Kalvinsky again addressed the Commission by testifying that she wanted to clarify an issue presented in earlier public comment. The modules will include a test feature at the end of each course. She also spoke in favor of the required courses for new licensees.

Kathy Sperl-Bell addressed the Commission. She testified that currently there is a national debate about changes in the real estate industry. There is a need to improve professionalism in the real estate business. She noted that currently, in pre-licensing courses, there is a focus on teaching to the test, which involves materials unrelated to become a broker. Ms. Sperl-Bell commented that certain brokers are not ensuring that their agents are up to par.

A motion was made by Mr. White, seconded by Mr. Brannon to go off the record. The motion passed unanimously. At 10:34 a.m., the Commission went off the record and held deliberations. At 11:21 a.m., the Commission went back on the record. A motion was made by Mr. Harrington, seconded by Mr. White to adopt the proposed revisions to the rules and regulations. The motion passed by majority vote. Mr. Whitfield and Mr. Emory voted against the motion. Ms. Heeney advised that she will prepare the final order for signature at the next meeting. The final revisions will be published in the July issue of the Delaware Register of Regulations and will become effective on July 11, 2012. The Public Hearing closed at 9:28 a.m.

A recess was taken from 11: 24 a.m. to 11:38 a.m.

#### Public Hearing Regarding Proposed Guidelines for Fulfilling the Delaware Real Estate Education Guidelines

Ms. Heeney called the Public Hearing to order at 11:40 a.m. The Commission proposed extensive revisions to the Guidelines. The Guidelines have been amended to include information previously contained only in an "Appendix" posted on the Commission's website. The amendments ensure that pre-licensing and continuing education standards are properly and fully set forth in rules promulgated and adopted by the Commission. The amended Guidelines explain new continuing education standards which will be set forth in further detail in the Commission's rules and regulations. Specifically, pursuant to the proposed revisions, continuing education offerings must fall into one of seven different modules, or, for new licensees, one of four different modules. In a new Rule 11.0 procedures are detailed for addressing course providers who receive negative evaluations from course attendees. This new Rule is intended to ensure quality in the provision of education to prospective and current licensees. Notice of the Public Hearing was published in two Delaware newspapers. Notice of the Public Hearing was published in the Delaware Register of Regulations. Verbatim testimony was



recorded by the court reporter. Written comments were received from Trina Joyner, President of Sussex County Association of Realtors. No public comments were received. A motion was made by Mr. Brannon, seconded by Mr. White to go off the record. The motion passed unanimously. At 11:43 a.m., the Commission went off the record and held deliberations. At 11:45 a.m., the Commission went back on the record. A motion was made by Mr. White, seconded by Mr. Brannon to approve the proposed revisions to the Guidelines. The motion passed unanimously. A motion was made by Mr. White, seconded by Mr. Allamong that the correspondence from the Sussex County Association of Realtors be referred to the Subcommittee on Reciprocity and Education and that acknowledgement of receipt of the letter from the Commission's chairman be sent to the author of the letter. The motion passed unanimously. Ms. Heeney advised that she will prepare the final order for signature at the next meeting. The final revisions will be published in the July issue of the Delaware Register of Regulations and will become effective on July 11, 2012. The Public Hearing closed at 11:47 a.m.

### **NEW BUSINESS CONTINUED**

#### **Review of Application for New Office**

The application of Bear Property Management for a new office was reviewed. A motion was made by Mr. Allamong, seconded by Mr. White to approve this application. The motion passed unanimously.

#### **Review of Application for Additional License**

A motion was made by Mr. White, seconded by Mr. Brannon to re-review the application of Michelle Hunt for an additional license. The motion passed unanimously. The application of Michelle Hunt for an additional license was again reviewed. A motion was made by Mr. White, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

#### **ARELLO Annual Conference – September 19-22, 2012**

The ARELLO Annual Conference will be held on September 19-22, 2012 in Halifax, Nova Scotia Canada. A motion was made by Mr. Brannon, seconded by Mr. Harrington to approve Mr. White and Mr. Staton to attend the Conference. The motion passed unanimously.

#### **Review of Email from Pearson VUE Regarding Recommendations for Subject Matter Experts and Email from Andrew Taylor Requesting to be Considered as a Subject Matter Expert**

The Commission reviewed the email from Pearson VUE regarding recommendations for subject matter experts to participate in the 2012 National Real Estate Job Task Analysis. Selected subject matter experts will review and help Pearson VUE update the content outlines and provide input on the actual content of the national real estate examinations. The Commission also reviewed an email from Andrew Taylor requested that he be considered. Mr. Taylor also spoke regarding his request. A motion was made by Mr. White, seconded by Mr. Harrington that the Commission recommends Mr. Taylor to Pearson VUE as a subject matter expert representing Delaware for the 2012 National Real Estate Job Task Analysis. The motion passed unanimously.

#### **Review and Approval of the Minutes from the March 8, 2012 Subcommittee to Review Statute Revisions Meeting**

Since the Subcommittee to Review Statute Revision has been dissolved, the Commission reviewed the minutes from the March 8, 2012 meeting. A motion was made by Mr. White, seconded by Mr. Brannon to approve the minutes. The motion passed unanimously.

### **OLD BUSINESS**

#### **Sign Final Order from Hearing Held for David Foster**

The final order from the hearing held for David Foster was signed by Commission members.

#### **Discussion: Updating the Pamphlet Versions of the Consumer Information Statements**

A discussion was held regarding updating the pamphlet versions of the Consumer Information Statements. It was decided not to update the pamphlet versions.

#### **Discussion: Annual Seminar**

The annual seminar will be held on September 13, 2012 at Poly-Tech Adult Education Center in Woodside from 9:00 a.m. to 12:00 Noon. It was decided to defer to the Real Estate Education Committee for suggestions of topics and speakers.

### **OTHER BUSINESS BEFORE THE COMMISSION** (for discussion only)

A discussion was held concerning a summer edition of a newsletter. It was decided that Mr. White will draft the newsletter with help from Mr. Allamong on the formatting.

### **PUBLIC COMMENT**

There were no additional public comments at this meeting.

### **NEXT SCHEDULED MEETING**

The next meeting will be held on Thursday, June 14, 2012 at 9:00 a.m.

### **ADJOURNMENT**

A motion was made by Mr. Brannon, seconded by Ms. O'Brien to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 11:59 a.m.

Respectfully submitted,



Gayle L. Melvin  
Administrative Specialist III